

(iv) The Medicare payment amount is subject to the Part B deductible and coinsurance.

(g) *Additional payment for certain drugs.* In addition to the prospective payment described in this section, HCFA makes an additional payment for certain drugs furnished to ESRD patients by a Medicare-approved ESRD facility. HCFA makes this payment directly to the ESRD facility. The facility must accept the allowance determined by HCFA as payment in full. Payment for these drugs is made as follows:

(1) *Hospital-based facilities.* HCFA makes payments in accordance with the cost reimbursement rules set forth in this part.

(2) *Independent facilities.* HCFA makes payment in accordance with the methodology set forth in §405.517 of this chapter for paying for drugs that are not paid on a cost or prospective payment basis.

#### §413.176 Amount of payments.

(a) If the beneficiary has incurred the full deductible applicable under Part B of Medicare before the dialysis treatment, the intermediary pays the facility 80 percent of its prospective payment rate.

(b) If the beneficiary has not incurred the full deductible applicable under Part B of Medicare before the dialysis treatment, the intermediary subtracts the amount applicable to the deductible from the facility's prospective rate and pays the facility 80 percent of the remainder, if any.

#### §413.178 Bad debts.

(a) HCFA will reimburse each facility its allowable Medicare bad debts, as defined in §413.80(b), up to the facility's costs, as determined under Medicare principles, in a single lump sum payment at the end of the facility's cost reporting period.

(b) A facility must attempt to collect deductible and coinsurance amounts owed by beneficiaries before requesting reimbursement from HCFA for uncollectible amounts. Section 413.80 specifies the collection efforts facilities must make.

(c) A facility must request payment for uncollectible deductible and coin-

surance amounts owed by beneficiaries by submitting an itemized list that specifically enumerates all uncollectible amounts related to covered services under the composite rate.

#### §413.180 Procedures for requesting exceptions to payment rates.

(a) *Outpatient maintenance dialysis payments.* All payments for outpatient maintenance dialysis furnished at or by facilities are made on the basis of prospective payment rates.

(b) *Criteria for requesting an exception.* If a facility projects on the basis of prior year costs and utilization trends that it will have an allowable cost per treatment higher than its prospective rate set under §413.174, and if these excess costs are attributable to one or more of the factors in §413.182, the facility may request, in accordance with paragraph (d) of this section, that HCFA approve an exception to that rate and set a higher prospective payment rate. However, a facility may only request an exception or seek to retain its previously approved exception rate when authorized under the conditions specified in paragraphs (d) and (e) of this section.

(c) *Application of deductible and coinsurance.* The higher payment rate is subject to the application of deductible and coinsurance in accordance with §413.176.

(d) *Payment rate exception request.* A facility must request an exception to its payment rate within 180 days of—

(1) The effective date of its new composite payment rate(s);

(2) The effective date that HCFA opens the exceptions process; or

(3) The date on which an extraordinary cost-increasing event occurs, as specified (or provided for) in §§413.182(c) and 413.188.

(e) *Criteria for retaining a previously approved exception rate.* A facility may elect to retain its previously approved exception rate in lieu of any composite rate increase or any other exception amount if—

(1) The conditions under which the exception was granted have not changed;